

CONGRESSIONAL HISPANIC CAUCUS Michelle Lujan Grisham | Chairwoman 115TH CONGRESS

763

September 18, 2017

Mr. Ajit Pai Chair Federal Communications Commission 445 12th Street SW Washington, DC 20554

Dear Chairman Pai,

We write today to inquire about the status of the Advisory Committee on Diversity and Digital Empowerment (ACDDE) that Chairman Pai announced on April 24, 2017. As you know, the United States still has a long way to go on our path to ensuring our Information Industry landscape reflects our diverse and multicultural national identity. As Members of Congressional Hispanic Caucus, who represent the almost 57 million Latinos and Latinas in the United States, it is our duty to highlight the importance of Hispanic access to economic opportunities in the media, the digital news and information, and audio and video programming industries.

The North American Industry Classification System (NAICS) defines the Information sector as "establishments engaged in producing and distributing information and cultural products." This sector includes "the publishing industries, including software publishing; the motion picture and sound recording industries; the broadcasting industries; the telecommunications industries; and Web search portals, data processing industries, and the information services industries." These industries, which the ACDDE intends on engaging in order to be able to provide recommendations to the Commission, have historically been bereft of Latino representation.

According to the Annual Survey of Entrepreneurs, in 2015 almost 80% of all Hispanic owned firms with paid employees in the information sector were started or founded by their owners. This fact is in-line with Latinos having the highest rate of new entrepreneurs when compared to their White or Black counterparts.² Unfortunately, of the total number of business in the information sector that year, only 3% were Latino owned businesses³. When examining specific

¹ U.S. Census Bureaus. 2017 NAICS Definition: Information. Accessed on August 15, 2017 at https://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=51&search=2017%20NAICS%20Search

² Rivers, D. & Porras, J. (2015) State of Latino Entrepreneurship. Research Report 2015. Stanford Latino Entrepreneurship initiative. Accessed on August 15, 2017 at http://web.archive.org/web/20160222012359/http://latinoei.org:80/wp-content/uploads/2015/11/Fina

 $[\]underline{http://web.archive.org/web/20160222012359/http://latinoei.org:80/wp-content/uploads/2015/11/Final-Report-\underline{.pdf}$

³ U.S. Census Bureau. 2015 Annual Survey of Entrepreneurs. Statistics for Owners of Respondent Employer Firms by How the Owner Initially Acquired the Business by Sector, Gender, Ethnicity, Race, Veteran Status, and Years in Business for the U.S., States, and Top 50 MSAs: 2015. Accessed on August 15, 2017 at

industries within the information sector such as the Motion Picture and Telecommunications industries, the lack of Latino representation tells the same story.

For example, a recent study by the University of Southern California School of Communications and Journalism, showed that more than half (54) of the Top 100 grossing films of 2016 had no Latino characters in them, and only 3.1% of the total speaking roles in these films went to a Latino or Latina character⁴. This percentage has not changed since 2007, despite the fact that Latinos make up almost 18% of the total U.S. population. The same study only identified 34 female directors in their examination of 900 films since 2007. None were Latina⁵. Outside of Hollywood, the National Latino Media Council – a group of 13 of the largest Latino civil rights and advocacy organizations - consistently grade the overall performance of three of the four major television networks, ABC, CBS, and FOX as "mediocre" for Latino inclusion efforts.⁶

As we have seen in the past, a lack of minority voices in decision-making positions can create situations in which, at best the content is not representative of diverse voices and at worst, is insensitive. We believe the Commission's Advisory Committee is particularly timely in order to correct some of these issues. It is clear that we need a better strategy to tackle systemic challenges of Latino representation in the information sector.

Considering these facts, we have several questions that we would like answered regarding what steps the FCC and its ACDDE plan on taking to ensure greater Latino representation in the Commission and the information sector. Please respond to the questions below as soon as possible.

- Is the Committee on track to hold its first meeting in the fall of 2017?
- How was the membership on the Committee decided? What steps did the FCC take to ensure there was diversity within the ranks of the Committee, specifically on the grounds of gender, sexual orientation, and ethnicity/race?
- What steps will the Advisory Committee on Diversity and Digital Empowerment take to ensure that Latinos and Latinas are more accurately represented in the media based on their share of the population?
- How will the ACDDE encourage and empower Latino small businesses and entrepreneurship in the information sector?

https://factfinder.census.gov/faces/tableservices/isf/pages/productview.xhtml?pid=ASE 2015 00CSCBO01&prodT ype=table

⁴ Smith, S.L, Choueiti, M. & Pieper, K. (2017) *Inequality in 900 popular films: Examining portrayals of gender,* race/ethnicity, LGBT, and disability from 2007-2016. Media, Diversity & Social Change Initiative. Accessed on August 1, 2017 at http://annenberg.usc.edu/sites/default/files/Dr Stacy L Smith-Inequality in 900 Popular Films.pdf

⁶ National Latino Media Council (2014) Annual Television Network Diversity Report: 2013-2014 Season. Accessed August 1, 2017 at http://www.nhmc.org/wp-content/uploads/2014/09/NLMC-2014-Diversity-Report.pdf

- How will the ACDDE preserve competition, create diversity in programming, and help create new opportunities for emerging talent from minority backgrounds?
- Will the Advisory Committee produce a public report on its recommendations? Will this
 report make specific recommendations to the Commission on how to diversify the
 industries, which it is tasked to engage (i.e. Media, digital news, audio and video
 programming etc.)?

Given the FCC's statutory obligation to promote diversity and localism, we believe a diverse and effective Committee is warranted. We look forward to hearing your response, and hope to be able to continue to work with you on these issues in the future.

Sincerely,

Sen. Robert Menendez

CHC Diversity and Inclusion

Taskforce Chair

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Rep. Michelle Lujan Grisham CHC Chair

Cc: Mignon Clyburn, Commissioner
Michael O'Rielly, Commissioner
Brendan Carr, Commissioner
Jessica Rosenworcel, Commissioner



FEDERAL COMMUNICATIONS COMMISSION WASHINGTON

February 8, 2018

The Honorable Michelle Lujan Grisham U.S. House of Representatives 214 Cannon House Office Building Washington, D.C. 20515

Dear Congresswoman Lujan Grisham:

Thank you for your letter inquiring about the Federal Communications Commission's (FCC) Advisory Committee on Diversity and Digital Empowerment (Advisory Committee). As I shared during the Advisory Committee's first meeting on September 25, 2017, my highest priority is to bring the benefits of the digital age to all Americans regardless of race, ethnicity, gender, religion, or sexual orientation. For this reason, I re-chartered this advisory committee for a two-year period, restoring the committee after a four-year hiatus. I have tasked the Advisory Committee with providing recommendations to the Commission on several important issues, including support for the entry of new and diverse voices into the broadcast industry, bridging the digital divide and achieving ubiquitous, high-speed networks for all Americans, and addressing the struggles often faced by women and minorities in the tech sector.

The Advisory Committee has been charted in accordance with the provisions of the Federal Advisory Committee Act (FACA) as amended, 5 U.S.C., App. 2, and has been populated consistent with the FACA and the Membership Balance Plan adopted at the beginning of the chartering process. The membership process included a public announcement calling for nominations¹ and additional outreach to various communities. Members were then selected from submitted nominations and vetted through the FCC's Office of General Counsel. Consistent with the Membership Balance Plan, the Advisory Committee is composed of representatives from a wide range of backgrounds, spanning industries, geographic regions, business size and type, ethnicity, gender, and sexual orientation.²

The Advisory Committee is organized into three working groups: Broadcast Diversity and Development, Digital Empowerment and Inclusion, and Diversity in the Tech Sector. These working groups are composed of both full committee members and subject matter experts. The additional subject matter experts offer an assortment of perspectives and, before being added to a working group, underwent the same vetting process as full committee members.

¹ FCC Seeks Nominations for Membership on Advisory Committee on Diversity and Digital Empowerment, Public Notice, 32 FCC Rcd 4761 (2017) https://apps.fcc.gov/edocs_public/attachmatch/DA-17-557A1_Rcd.pdf.

² The membership of the Advisory Committee was announced on September 8, 2017, FCC Announces the Membership, First Meeting, and Docket Number of the Advisory Committee on Diversity and Digital Employment, GN Docket 17-208, rel. Sept. 8, 2017 (DA 17-857).

The first working group, Broadcast Diversity and Development, is tasked with recommending solutions, including an incubator program, to encourage a diverse range of voices, including minorities and women, in the management and ownership of broadcast properties. This working group is also tasked with studying successful approaches to foster diversity in ownership and management, and in broadcast-related procurement suppliers. Through this work, the Commission may receive suggestions on how an incubator program can increase the number of minority- and women-owned, including Latino-owned, broadcast properties, and the suppliers that support these endeavors, thereby increasing minority voices in decision-making positions, and potentially furthering the creation of diverse programming and new opportunities for emerging talent.

The second working group, Digital Empowerment and Inclusion, is tasked with identifying new approaches to expanding access to emerging technologies in underserved and under-connected communities. This group will also recommend methods to ensure that disadvantaged communities are not denied the wide range of opportunities made possible by next-generation networks, including educational, economic, health care, and civic participation opportunities. This working group may offer the Commission recommendations to help empower minority-owned, including Latino, and women-owned, small businesses and new entrepreneurship by reducing barriers to next-generation networks and technologies.

The third working group, Diversity in the Tech Sector, is tasked with studying the underemployment and lack of promotion opportunities for women and minorities in the tech sector and proposing a range of approaches businesses can employ to address these issues. This group will also identify best practices of industry leaders in training and employment diversity in the tech field. This working group may offer the Commission best practices on how to further advance entry into, and promotion within, the tech sector for females and minorities, including Latinos, at all levels.

Following the efforts of its three working groups, the Advisory Committee will review, discuss, and consider the working groups' recommendations and reports. Such review and consideration will occur at the public meetings of the full committee. Thereafter, the Advisory Committee will make recommendations to the Commission and the Commission will post final reports on the Advisory Committee's public FCC page, https://www.fcc.gov/advisorycommittee-diversity-and-digital-empowerment.

I appreciate your interest in this matter. Your views are very important and will be entered into the record. Please let me know if I can be of any further assistance.

Sincerely,

Aiit V. Pai



FEDERAL COMMUNICATIONS COMMISSION WASHINGTON

February 8, 2018

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